

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 085051

72

ORIGIN AF-06

INFO OCT-01 ISO-00 L-02 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 H-02 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04

SIL-01 SCS-03 SCA-01 PA-01 USIA-06 PRS-01 /084 R

DRAFTED BY AF/C:RRSTRAND:GJB

APPROVED BY AF/C:WLCUTLER

L/AF:CASCHMITZ (DRAFT)

EB/IFD/OIA:TRBRODERICK (DRAFT)

AF/EPS:LMWHITE (DRAFT)

----- 007499

P R 142258Z APR 75

FM SECSTATE WASHDC

TO AMEMBASSY KINSHASA PRIORITY

INFO AMCONSUL LUBUMBASHI

LIMITED OFFICIAL USE STATE 085051

E.O. 11652: N/A

TAGS:

SUBJECT: ALHADEFF AND SABUNI INTERESTS

REFS: KINSHASA 2901, 2811, A-61 AND A-44; LUBUMBASHI 066;  
STATE 249417 OF 12/21/73 AND A-10523 OF 12/28/73.

1. DEPARTMENT OFFICERS MEETING APRIL 15 WITH LAWYERS FOR  
ALHADEFFS (DUNCAN, ALLEN AND MITCHELL). WILL SEEK  
CLARIFICATION AND EVIDENCE OF EXTENT AND DURATION OF U.S.  
OWNERSHIP OF PROPERTIES AFFECTED BY MEASURES REPORTED  
KINSHASA 2811 AND 2901.

2. IT IS NOT CLEAR FROM EMBASSY REPORTING THAT EXPROPRIATORY  
ACT HAS ACTUALLY TAKEN PLACE. PARA 1 OF KINSHASA 2811  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 085051

DESCRIBES REMISE-REPRISE AS "FORMAL TRANSFER OF OWNERSHIP

TO THE GOVERNMENT". WE NOTE, HOWEVER, EMBASSY'S MOST RECENT GENERAL COMMENT ON IMPLICATIONS OF APPOINTMENT OF ADMINISTRATEURS DELEGUES FOR OWNERSHIP OF ELECTED ENTERPRISES: "DOES THE GOVERNMENT INTEND TO SIMPLY EXERCISE CLOSE CONTROL OVER THESE COMPANIES, OR DOES IT ACTUALLY INTEND TO TAKE OVER AND HOLD THE EQUITIES?...AS FAR AS WE KNOW, THE GOVERNMENT HAS YET TO ACTUALLY EXPROPRIATE A COMPANY IN ACCORDANCE WITH THE ECONOMIC MEASURES" (KINSHASA A-44). EMBASSY SHOULD SEEK FROM ALHADEFF REPS IN KINSHASA EVIDENCE OF ACTUAL DEPRIVATION OF RIGHTS OF PROPERTY; WHAT HAS BEEN--OR IS EXPECTED TO BE--PRACTICAL EFFECT OF APPOINTMENT OF ADMINISTRATEUR DELEGUE?

3. ASSUMING U.S. OWNERSHIP IS ESTABLISHED, EMBASSY MUST JUDGE WHETHER IT WOULD BE ADVISABLE TO SEEK EXEMPTION OF ALHADEFF INTERESTS FROM ECONOMIC MEASURES. EMBASSY IS IN BEST POSITION TO WEIGH PROSPECTS OF SUCCESS AGAINST POSSIBLE RISKS: IF GOZ BELIEVES IT HAS ALREADY BENT OVER BACKWARD TO EXCLUDE U.S. FIRMS (KALIKAK, ACEC, IECO, WARNER-LAMBERT), WOULD PUSHING FOR EXEMPTION OF ALHADEFF TOO RISK PROVOKING GOZ TO ACT AGAINST OTHER U.S. COMPANIES? IT WOULD SEEM, HOWEVER, THAT ARGUMENT MIGHT AT LEAST BE MADE FOR EXCLUSION OF INDIVIDUALLY HELD REAL ESTATE NOT CONNECTED WITH ALHADEFF COMPANIES AS INDICATED PARA 4 KINSHASA 2901. AT SAME TIME, EMBASSY HAS CORRECTLY ADVISED ALHADEFF (AND SABUNI) REPS THAT PRIMARY RESPONSIBILITY LIES WITH COMPANY ITSELF TO EXHAUST ITS OWN LOCAL REMEDIES. JUDGING FROM PARA 6 OF KINSHASA 2901, THIS HAS NOT YET BEEN DONE IN ALHADEFF CASE.

4. IF U.S. OWNERSHIP IS CONFIRMED, IF IT IS ESTABLISHED THAT EXPROPRIATORY ACT HAS TAKEN PLACE, AND IF ATTEMPT TO OBTAIN EXEMPTION FROM MEASURES IS JUDGED UNWISE OR FAILS, EMBASSY SHOULD THEN SEEK CLARIFICATION FROM GOZ OF ITS INTENTIONS REGARDING COMPENSATION AND SHOULD REITERATE BASIC MANDATES GOVERNING U.S. POLICY. (SEE STATE 249417 OF DECEMBER 21, 1973 AND FULL TEXT OF PRESIDENT NIXON'S JANUARY 19, 1972 POLICY STATEMENT ON "ECONOMIC ASSISTANCE AND INVESTMENT SECURITY IN DEVELOPING NATIONS," POUCH TO EMBASSY UNDER COVER STATE A-10523 AND LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 085051

STRAND-BLOWERS LETTER OF MAY 11, 1974.)

5. GUIDANCE ABOVE WOULD APPLY TO SABUNI CASE ALSO. ASSUME CONSULATE LUBUMBASHI STILL AWAITING RESPONSE FROM COMPANY TO ENQUIRY ABOUT NATIONALITY OF OWNERSHIP (LUBUMBASHI 066). IF EXPROPRIATORY ACT HAS TAKEN PLACE AND MAJORITY OWNERSHIP IS NATIONALITY OTHER THAN AMERICAN, DISCHARGE OF USG RESPONSIBILITY TOWARD MINORITY US OWNERS WOULD PROBABLY

TAKE FORM INITIALLY OF ENCOURAGING GOVERNMENT OF MAJORITY-  
OWNERSHIP COUNTRY TO MAKE REPRESENTATIONS ON FIRM'S  
BEHALF. KISSINGER

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATIONALIZATION, FOREIGN INVESTMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE085051  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** RRSTRAND:GJB  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750130-0671  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750454/aaaabxxy.tel  
**Line Count:** 118  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN AF  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 KINSHASA 2901, 75 2811, 75 A-61, 75 AND A-44, 75 LUBUMBASHI 066  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ShawDG  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 29 AUG 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <29 AUG 2003 by ShawDG>; APPROVED <17 DEC 2003 by ShawDG>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ALHADEFF AND SABUNI INTERESTS  
**TAGS:** EINV, ECON, CG, ALHADEFF  
**To:** KINSHASA  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006